

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
**Cullen, Louisiana**

**Annual Financial Statements**

**DECEMBER 31, 2012**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date OCT 30 2013

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY

TABLE OF CONTENTS

	<u>Statement</u>	<u>Page</u>
INDEPENDENT AUDITORS' REPORT		1
BASIC FINANCIAL STATEMENTS		
Government-Wide Financial Statements		
Statement of Net Position	A	4
Statement of Activities	B	5
Fund Financial Statements (Governmental Fund)		
Balance Sheet	C	6
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Financial Statement of Net Position	D	7
Statement of Revenues, Expenditures and Changes in Fund Balance	E	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Fund to the Statement of Activities	F	9
Budget Comparison Schedule	G	10
Notes to Financial Statements		11
OTHER REPORTS:		
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government     Auditing Standards</i>		21
OTHER SUPPLEMENTAL SCHEDULES		
Schedule of Compensation Paid Board Members		23
OTHER INFORMATION		
Summary Schedule of Prior Year Findings		24
Schedule of Current Year Findings and Recommendations and Management's <i>Corrective Action Plan</i>		25
Management letter		26

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**INDEPENDENT AUDITORS' REPORT**

To the Management of the Webster Parish Fire Protection District No. 6  
Cullen, Louisiana

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the major fund of the Webster Parish Fire Protection District No. 6, a component unit of the Webster Parish Police Jury, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Webster Parish Fire Protection District No. 6 as of December 31, 2012, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Other Information*

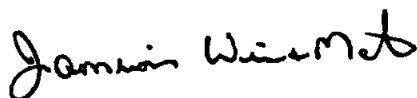
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Webster Parish Fire Protection District No. 6's basic financial statements. The other supplemental schedule and other information, as listed in the table of contents, are presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Compensation Paid Board Members is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule is fairly stated in all material respects in relation to the basic financial statements as a whole.

The accompanying other information, as listed in the table of contents, has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2013, on our consideration of the Webster Parish Fire Protection District No. 6's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Webster Parish Fire Protection District No. 6's internal control over financial reporting and compliance.



Minden, Louisiana  
October 16, 2013

## **BASIC FINANCIAL STATEMENTS**

WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana

Statement of Net Position  
December 31, 2012

		<u>Governmental Activities</u>
<b>ASSETS</b>		
Cash and cash equivalents		\$ 745,564
Accounts receivable		171,613
Prepaid Assets		4,324
Capital Assets		
Land and Construction in Progress	101,175	
Other Capital Assets, net	<u>189,735</u>	
Total Capital Assets, net		<u>290,910</u>
Total assets		<u><u>1,212,411</u></u>
<b>LIABILITIES</b>		
Accounts Payable		8,448
Other Current Liabilities		937
Long-term liabilities		
Bonds Payable		<u>600,000</u>
Total Liabilities		<u>609,385</u>
<b>NET POSITION</b>		
Invested in Capital Assets, net of related debt		290,910
Unrestricted		<u>312,116</u>
Total net position		<u><u>\$ 603,026</u></u>

The accompanying notes are an integral part of this statement

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana

Statement of Activities  
For the Year Ended December 31, 2012

		Program Revenues		Governmental activities
	Expenses	Charges for services	Operating grants & contributions	Net (expenses)/ revenue
<b>Governmental activities:</b>				
Public Safety - Fire Protection	\$ 164,743	\$ -	\$ -	\$ (164,743)
General revenues				
Ad valorem taxes				172,210
Intergovernmental				19,808
Interest				2,279
Miscellaneous				2,211
Total general revenues				196,508
Change in net position				31,765
Net position - beginning				571,261
Net position - ending				<u>\$ 603,026</u>

The accompanying notes are an integral part of this statement.

WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
 WEBSTER PARISH POLICE JURY  
 Cullen, Louisiana

Balance Sheet - Governmental Fund  
 December 31, 2012

	<u>Special Revenue</u>
	<u>2012</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 745,564
Accounts receivables	<u>171,613</u>
Total assets	<u>\$ 917,177</u>
 <b>LIABILITIES AND FUND EQUITY</b>	
Liabilities	
Accounts payable	\$ 9,385
Deferred revenue	<u>6,850</u>
Total liabilities	<u>16,235</u>
 Fund equity	
Unassigned	<u>900,942</u>
Total fund equity	<u>900,942</u>
 Total liabilities and fund equity	 <u>\$ 917,177</u>

The accompanying notes are an integral part of this statement



WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
CULLEN, LOUISIANA

Reconciliation of the Governmental Fund Balance Sheet  
to the Government-Wide Financial Statement of Net Position

December 31, 2012

Amounts reported for governmental activities in the Statement of Net Position are different because

Fund Balance, Total Governmental Fund (Statement C)	\$	900,942
---	----	---------

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental fund	\$	290,910
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Bonds proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position	\$	(600,000)
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Deferred revenues are not financial resources and, therefore, are not reported in the governmental fund	\$	6,850
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Prepaid assets are not financial resources and, therefore, are not reported in the governmental fund		<u>4,324</u>
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Net Position of Governmental Activities (Statement A)	\$	<u>603,026</u>
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The accompanying notes are an integral part of this statement

WEBSTER PARISH FIRE PROTECTION DISTRICT  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana

Governmental Fund  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended December 31, 2012

	<u>Special Revenue</u>
	<u>2012</u>
<b>Revenues</b>	
Ad valorem taxes	\$ 168,536
Interest	2,279
Intergovernmental revenue	
Webster Parish Police Jury	10,394
State Grants	3,414
On-behalf payments	6,000
Miscellaneous	<u>2,211</u>
Total revenues	<u>192,834</u>
<b>Expenditures</b>	
Current - public safety	
Salaries & related expenses	40,054
Other benefits	2,232
Board members	4,100
Fireman reimbursements	10,843
Utilities	2,887
Accounting & Legal	1,600
Insurance	24,516
Office expense	792
Dues & subscriptions	175
Building lease	2,500
Repairs & maintenance	16,958
Telephone & internet	3,981
Supplies	2,210
Training	4,296
Fuel & truck expense	8,837
Miscellaneous	11,017
Capital Outlay	<u>56,604</u>
Total expenditures	<u>193,602</u>
Excess (deficiency) of revenues over expenditures	(768)
<b>Other Financing Sources</b>	
Bond Proceeds	<u>600,000</u>
Net change in fund balance	599,232
Fund balance at beginning of year	<u>301,708</u>
Fund balance at end of year	<u>\$ 900,940</u>

The accompanying notes are an integral part of this statement

WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
CULLEN, LOUISIANA

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balance of the Governmental Fund to the  
Statement of Activities

For the Year Ended December 31, 2012

Amounts reported for governmental activities in the Statement of Activities are different because

Net Change in Fund Balance, Governmental Fund (Statement E)	\$ 599,232
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	29,332
Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in the governmental fund.	3,677
Bonds proceeds provide current financial resources for governmental funds, but issuing debt increases long-term liabilities in the statement of net position.	\$ (600,000)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(476)
Change in net position of governmental activities (Statement B)	<u>\$ 31,765</u>

The accompanying notes are an integral part of this statement

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

The revenues and expenditures shown on page 8 are reconciled with the amounts reflected on the budget comparison on page 10 as follows

	<u>General Fund</u>
Excess of revenues over expenditures, GAAP basis	\$ (768)
To adjust for receivables	(106,253)
To adjust for payables	<u>2,763</u>
Excess of revenues over expenditures, Budget – Cash basis	\$ <u>(104,258)</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana

Governmental Fund Type - Special Revenue Fund  
Statement of Revenues, Expenditures, and Changes in  
Fund Balance - Budget (CASH) and Actual  
For the Year Ended December 31, 2012

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		Over (Under)
<b>Revenues</b>				
Ad valorem taxes	\$ 125,000	\$ 104,414	\$ 62,280	\$ (42,134)
Interest	\$ 3,000	\$ 2,300	\$ 2,279	\$ (21)
Intergovernmental revenue				
Webster Parish Police Jury	\$ 9,300	\$ 10,400	\$ 10,394	\$ (6)
State Grants	\$ 4,000	\$ 4,000	\$ 3,414	\$ (586)
On-behalf payments	6,000	6,000	6,000	-
Miscellaneous	5,220	3,000	2,211	(789)
Total revenues	152,520	130,114	86,578	(43,536)
<b>Expenditures</b>				
Current - public safety				-
Salaries	38,400	38,400	38,400	-
Other benefits	3,400	3,350	3,393	(43)
Board members	3,000	3,000	2,900	100
Fireman reimbursements	15,000	11,000	10,843	157
Utilities	3,700	2,875	2,887	(12)
Accounting & Legal	1,800	1,600	1,600	-
Insurance	21,000	23,000	22,991	9
Office expense	1,170	845	792	53
Dues & subscriptions	650	175	175	-
Building lease	2,500	2,500	2,500	-
Repairs & maintenance	11,500	16,450	17,676	(1,226)
Telephone & internet	3,400	3,750	4,100	(350)
Supplies	4,000	2,300	2,275	25
Training	4,500	3,800	3,747	53
Fuel & truck expense	8,100	8,575	8,837	(262)
Capital Outlay	46,000	17,050	56,604	(39,554)
Miscellaneous	400	11,971	11,116	855
Total expenditures	168,520	150,641	190,836	(40,195)
Excess of revenues over expenditures	(16,000)	(20,527)	(104,258)	(83,731)
<b>Other Financing Sources</b>				
Bond Proceeds	600,000	600,000	600,000	-
Net change in Fund Balance	584,000	579,473	495,742	(83,731)
Fund balance at beginning of year	248,882	248,882	248,882	-
Fund balance at end of year	\$ 832,882	\$ 828,355	\$ 744,624	\$ (83,731)

The accompanying notes are an integral part of this statement.

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

**INTRODUCTION**

The Webster Parish Police Jury created the Webster Parish Fire Protection District No. 6 on September 6, 1988. The District includes all of Ranges 10 and 11 West of Webster Parish. The District is governed by a five-member board, of which two members are appointed by the Police Jury, two are appointed by the Town of Cullen, and one by the other four members of the board. The District is responsible for maintaining and operating fire stations and equipment and providing fire protection within the boundaries of the District.

GASB Statement No. 14, The Reporting Entity, established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under the provisions of this statement, the District is considered a component unit of the Webster Parish Police Jury. The Police Jury is financially accountable for the District because it appoints a voting majority of the board and has the ability to impose its will on them.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise that financial reporting entity.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the Webster Parish Fire Protection District No. 6 (District). Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods,

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. The major individual governmental fund, which is the general fund, is reported in the fund financial statements.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The accompanying financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Although most expenditures are recorded when a liability is incurred, as under accrual accounting, the measurement focus of a governmental fund significantly affects what items are to be considered expenditures in the governmental fund. Expenditures, and the related liabilities, are accrued when they are expected to be paid out of revenues recognized during the current period. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
**Cullen, Louisiana**  
**Notes to Financial Statements**  
**As of and for the year ended December 31, 2012**

Property taxes and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The District reports the following major governmental fund:

The General Fund is the District's primary operating fund. It accounts for all financial resources, of the general government, except those required to be accounted for in another fund.

**C. CASH AND INVESTMENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the district may deposit funds in demand deposits, interest-bearing demand deposits, and money market accounts with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the district may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**D. CAPITAL ASSETS**

Capital assets, which include property, plant and equipment, are reported in the governmental activities in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,500 or more for capitalizing capital assets. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of fixed assets or materially extend useful lives are not capitalized.



**WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6**  
**WEBSTER PARISH POLICE JURY**  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	40 years
Machinery and equipment	5-10 years
Vehicles	5-15 years

**E. COMPENSATED ABSENCES**

The Webster Parish Fire Protection District No. 6 has the following policy relating to vacation and sick leave:

Vacation policy. Vacation time, with pay, will be granted to all full-time employees on a set fifteen (15) days per calendar year. Any unused vacation time is not able to be carried forward to any future year and is lost, not paid out, if vacation is not taken by December 31.

Sick leave policy. All full time employees earn ten (10) days of sick leave per calendar year. An employee cannot carry over any unused sick leave to the next year. Unused sick leave is not paid upon termination or death.

At December 31, 2012, the District did not recognize a liability for unused vacation leave on the modified accrual basis, as it is not paid out per District policy.

**F. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6**  
**WEBSTER PARISH POLICE JURY**  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

**G. FUND EQUITY CLASSIFICATIONS**

The District implemented the provisions of Governmental Accounting Standards Board Statement 54, which redefined how fund balances are presented in the fund financial statements. In the fund financial statements, fund balances are classified as follows:

**Nonspendable** - Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact

**Restricted** - Amounts that can be spent only for specific purposes because of state or federal laws, or externally-imposed conditions by grantors or creditors.

**Committed** - Amounts that can only be used for specific purposes determined by a formal action of the District's board. These amounts cannot be used for any other purpose unless the District's board removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

**Assigned** - Amounts that are designated as committed by the District's board but are not spendable until a budget ordinance is passed.

**Unassigned** - All amounts not included in other spendable classifications. The District has not adopted a policy to maintain the General Fund's unassigned fund balance above a certain minimum level

When fund balance resources are available for a specific purpose, the District would use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, it reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

**2. BUDGETS**

The District uses the following budget practices:

1. The District clerk prepares a proposed budget and submits it to the Board of Commissioners no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection (if required). At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted by the Board of Commissioners prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures which results from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget has been amended one time, and the amendment is reflected in the budgetary comparisons.
6. Budgetary appropriations lapse at the end of the fiscal year.
7. The budget for the general fund was not adopted on a basis consistent with generally accepted accounting principles (GAAP).

WEBSTER PARISH FIRE PROTECTION DISTRICT NO 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

The revenues and expenditures shown on page 8 are reconciled with the amounts reflected on the budget comparison on page 10 as follows:

	<u>General Fund</u>
Excess of revenues over expenditures, GAAP basis	\$ (768)
To adjust for receivables	(106,253)
To adjust for payables	<u>2,763</u>
Excess of revenues over expenditures, Budget – Cash basis	\$ <u>(104,258)</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
 WEBSTER PARISH POLICE JURY  
 Cullen, Louisiana  
 Notes to Financial Statements  
 As of and for the year ended December 31, 2012

**3. CASH AND CASH EQUIVALENTS**

At December 31, 2012 the District has book balances totaling \$745,564 as follows:

Demand deposits	\$ 570,878
Interest-bearing deposits	<u>174,686</u>
Total	<u>\$ 745,564</u>

These deposits are stated at cost, which approximates market. Under state law, these bank balances must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 2012, the district has \$745,564 in collected bank balances. The deposits are secured from risk by \$426,475 of federal deposit insurance and \$637,093 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the district that the fiscal agent has failed to pay deposited funds upon demand.

**4. LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year ended December 31, 2012:

	2012 Levied <u>Millage</u>
District taxes.	-
General	14.69
Taxable property valuation	<u>\$ 11,819,120</u>

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**

Cullen, Louisiana

Notes to Financial Statements

As of and for the year ended December 31, 2012

Ad valorem taxes are recorded in the year the taxes are assessed. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December of the current year and January and February of the ensuing year.

**5. RECEIVABLES**

The following is a summary of receivables at December 31, 2012:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Government-Wide</u>
Ad valorem taxes	\$ 158,583	\$ 158,583
Other receivables	<u>13,030</u>	<u>13,030</u>
Total	<u>\$ 171,613</u>	<u>\$ 171,613</u>

**6. ACCOUNTS, SALARIES, AND OTHER PAYABLES**

The payables at December 31, 2012 are as follows:

	<u>General Fund</u>	<u>Government-Wide</u>
Accounts	\$ 8,448	8,448
Payroll W/h and payable	<u>937</u>	<u>937</u>
Total	<u>\$ 9,385</u>	<u>\$ 9,385</u>

**7. CAPITAL ASSETS**

Capital assets and depreciation activity as of and for the year ended December 31, 2012, for the District is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, not being depreciated				
Land	\$ 53,571	\$ -	\$ -	\$ 53,571
Construction in progress	<u>5,950</u>	<u>41,654</u>	-	<u>47,604</u>
Total capital assets, not being depreciated	<u>59,521</u>	<u>41,654</u>	-	<u>101,175</u>
Capital assets being depreciated				
Buildings	143,930	-	-	143,930
Machinery & equipment	257,690	1,950	-	259,640
Vehicles	<u>354,330</u>	<u>13,000</u>	-	<u>367,330</u>
Total capital assets being depreciated	<u>755,950</u>	<u>14,950</u>	-	<u>770,900</u>

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana  
Notes to Financial Statements  
As of and for the year ended December 31, 2012

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Less accumulated depreciation for				
Buildings	43,227	3,960	-	47,187
Machinery & equipment	201,052	15,402	-	216,454
Vehicles	<u>308,991</u>	<u>8,533</u>	<u>-</u>	<u>317,524</u>
Total accumulated depreciation	<u>553,270</u>	<u>27,895</u>	<u>-</u>	<u>581,165</u>
Total capital assets being depreciated, net	<u>\$ 262,201</u>	<u>\$ 28,709</u>	<u>\$ -</u>	<u>\$ 290,910</u>

Depreciation expense of \$27,895 for 2012 was charged to the public safety function

**8. PENSION PLAN**

The District's employees participate in the federal social security program. The District is required to remit to the Social Security Administration an amount equal to 7.65% of employees' compensation.

**9. RETIREMENT SYSTEM**

The Webster Parish Fire District #6 employees participate in the social security system. As part of the ad valorem taxes a portion is withheld from ad valorem taxes as pension contribution for the Sheriff. Expense for pension expense for 2012 was \$2,232.

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PEARCE JAMIESON, CPA (1991)

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the management of the Webster Parish Fire Protection District No. 6

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of the Webster Parish Fire Protection District No. 6, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Webster Parish Fire Protection District No. 6's basic financial statements, and have issued our report thereon dated October 16, 2013

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Webster Parish Fire Protection District No. 6's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Webster Parish Fire Protection District No. 6's internal control. Accordingly, we do not express an opinion on the effectiveness of the Webster Parish Fire Protection District No. 6's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



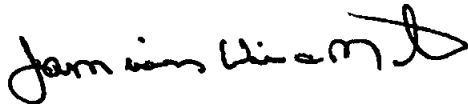
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Minden, Louisiana

October 16, 2013

## OTHER SUPPLEMENTAL SCHEDULES

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
**Cullen, Louisiana**

**Schedule of Compensation Paid Board Members**  
**For the Year Ended December 31, 2012**

The District paid the following amounts as compensation to the Board of Commissioners:

Kenneth Garrett	Chairman	\$ 600
Kathy Burrow	Sec.-Treasurer	0
Barry Smith	Member	550
L.R. Thomas	Member	550
John Blake	Member	600
Billy B Smith	Member	<u>600</u>
		\$ <u>2,900</u>

## OTHER INFORMATION

WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6  
WEBSTER PARISH POLICE JURY  
Cullen, Louisiana

Summary Schedule of Prior Year Findings  
As of and for the year ended December 31, 2012

**Section I – Internal Control over Financial Reporting and Compliance and Other Matters**

There were no items required to be reported in accordance with *Government Auditing Standards*

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
Cullen, Louisiana

**Schedule of Current Year Findings and Recommendations**  
**and Management's Corrective Action Plan**  
**As of and for the year ended December 31, 2012**

We have audited the basic financial statements of the Webster Parish Fire Protection District #6 as of and for the year ended December 31, 2012 and have issued our report thereon dated October 16, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2012 resulted in an unqualified opinion.

***Section I Summary of Auditors' Reports***

***a Report on Internal Control and Compliance Material to the Financial Statements***

**Internal Control**

Material Weaknesses ☐ Yes ☒ No

Significant Deficiencies ☐ Yes ☒ No

**Compliance**

Compliance Material to Financial Statements ☐ Yes ☒ No

Was a management letter issued? ☒ Yes ☐ No

***Section II Financial Statement Findings***

The results of our auditing procedures of the basic financial statements as of and for the year ended December 31, 2012, of the Webster Parish Fire Protection District #6, disclosed no items that are required to be reported in accordance with Generally Accepted Government Auditing Standards (GAGAS).

***Section III Management Letter***

**2012-01 Budget Amendments**

**Management's Response and Planned**

**Corrective Action:** The Webster Parish Fire Protection District #6 did amend the budget during the year. Due to ad valorem not being received until January 2013 instead of December 2012 as projected this caused the revenue to be more than 5% under budget.

**WEBSTER PARISH FIRE PROTECTION DISTRICT NO. 6**  
**WEBSTER PARISH POLICE JURY**  
**Cullen, Louisiana**

**Schedule of Current Year Findings and Recommendations**  
**and Management's Corrective Action Plan**  
**As of and for the year ended December 31, 2012**

**2012-02 Financial Reporting**

**Management's Response and Planned**

**Corrective Action:** The Webster Parish Fire Protection District #6 has historically done a compilation due to the amount of revenue. For the year ending December 31, 2012 bond proceeds were received for \$600,000. When informed that an audit would be required because the proceeds caused the audit threshold to be reached there wasn't sufficient time for the auditor to complete the audit within the time frame required by state law. Management will ensure that reports are filed timely in the future.

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**MANAGEMENT LETTER**

Board of Commissioners

Webster Parish Fire Protection District No. 6

We have audited the basic financial statements of the Webster Parish Fire Protection District No. 6 as of and for the year ended December 31, 2012, and have issued our report thereon dated October 16, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the financial statements, dated October 16, 2013 and our report on internal control and compliance with laws, regulations, contracts and grants, dated October 16, 2013.

During the course of our examination, we became aware of the following matter which represents immaterial deviations of compliance or suggestions for improved internal controls.

**Item 2012-01 Budget Amendments**

**Criteria:** According to LSA Revised Statutes, budgets should be amended if there will be more than a 5% variance in revenue or actual expenditures. RS 39:1311 does exempt amendments to special revenue funds if less than \$500,000.

**Condition:** Since the Fire District received bond proceeds of \$600,000, they exceeded the exemption under RS 39:1311. Expenditures were in line but ad valorem revenue was more than 5% variance between the amended budget and actual.

**Effect:** As of December 31, 2012, the District had not properly adhered to state budget laws.

**Recommendation:** We understand the District does monitor the budget as is evident of the amendments that were made. The District should amend the budget at the point it realizes there will be more than a 5% variance in budget and actual.

**Item 2012-02 Financial Reporting**

**Criteria:** According to LSA Revised Statutes, financial statements are to be filed with the Louisiana Legislative Auditor within 6 months after year end.

**Condition:** The audit report was submitted after June 30, 2013.

**Cause:** In the past the reporting requirements has been a compilation. Due to receiving bond proceeds during the year the revenue exceeded the reporting requirements for an audit. The

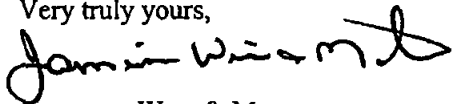


records were given to the CPA in time to prepare a compilation but when management was informed an audit was required *there wasn't sufficient time to prepare an audit before the filing requirements*

**Effect:** As of December 31, 2012, the District is not in compliance with state law.

**Recommendation:** We recommend that shortly after records are closed for the year management consults with the CPA as to the required reporting requirements

Very truly yours,

A handwritten signature in black ink, appearing to read "Jamieson, Wise & Martin". The signature is fluid and cursive, with a large initial "J" and "M".

Jamieson, Wise & Martin

October 16, 2013